



## **MINUTES OF EXECUTIVE COMMITTEE MEETING**

Embassy Suites Denver Downtown Convention Center  
1420 Stout Street  
Denver, Colorado

Friday, April 26, 2019  
8:30 a.m. to 12:00 noon Mountain Time

### **I. Welcome and Introductions**

Chair John Valentine, Utah, convened the meeting at 8:30 a.m. mountain time and asked those in attendance to introduce themselves. The following people attended the meeting:

Deanna Munds-Smith	Arkansas Department of Finance and Administration
Brendon Reese	Colorado Department of Revenue
Tom Shaner	Idaho State Tax Commission
Phil Skinner	Idaho State Tax Commission
Randy Tilley	Idaho State Tax Commission
Todd Renner	Kentucky Department of Revenue
Maria Sanders	Missouri Department of Revenue
Dan Armer	New Mexico Taxation and Revenue Department
Tommy Hoyt	Texas Comptroller of Public Accounts
Nancy Prosser	Texas Comptroller of Public Accounts
John Valentine	Utah State Tax Commission
James Savage	Virginia Tax
Gil Brewer	Washington State Department of Revenue
Timothy Waggoner	West Virginia State Tax Department
Chris Barber	Multistate Tax Commission

Holly Coon	Multistate Tax Commission
Richard Cram	Multistate Tax Commission
Lila Disque	Multistate Tax Commission
Bruce Fort	Multistate Tax Commission
Keith Getschel	Multistate Tax Commission
Brian Hamer	Multistate Tax Commission
Helen Hecht	Multistate Tax Commission
Greg Matson	Multistate Tax Commission
Jeff Silver	Multistate Tax Commission
Marshall Stranburg	Multistate Tax Commission
Tripp Baltz	Bloomberg Tax
Ryan Prete	Bloomberg Tax
Karl Frieden	Council on State Taxation
Virgil Helton	FAST Enterprises
John Mollenkamp	Intuit

The following people were on the phone: Keith Richardson, District of Columbia Office of Tax and Revenue; John Ficara, New Jersey Division of Taxation; Nia Ray, Oregon Department of Revenue; Wendy Margolis, Multistate Tax Commission; Tom Shimkin, Multistate Tax Commission; Bill Six, Multistate Tax Commission; and Chelsea Marmor, Eversheds Sutherland.

Chair Valentine confirmed the presence of a quorum.

## **II. Initial Public Comment Period**

There were no comments at this time.

## **III. Approval of Minutes of Executive Committee Meeting on November 8, 2018**

Nancy Prosser, Texas, moved for approval of the minutes as written. The motion was approved by voice vote.

#### **IV. Report of the Chair**

There was no report by the Chair.

#### **V. Report of the Treasurer**

- A. 2019 – 2020 Budget Review and Approval
- B. Financial Report for the Period July 1, 2018 – March 31, 2019

Ms. Prosser presented on behalf of Glenn Hegar. She noted that the proposed budget reflects a continuation of current activities. There is a small increase proposed for membership and Nexus Program fees, but no increase is proposed in Joint Audit Program fees. No significant issues or items of concern are reflected in the financial report. Todd Renner, Kentucky, moved to approve the budget and the financial report. The motion passed by voice vote.

#### **VI. Report of the Executive Director**

Greg Matson, Executive Director, highlighted Commission training and the thought that has recently gone into improving it. For the first time, the Commission will host a training itself. It is planned to be videotaped and will likely be made available for states to use online via some sort of platform, which is yet to be determined. He also noted his involvement in the planning boards of various seminars and conferences and asked those in attendance to let him know if they had key staff that were interested in making a presentation at a seminar or conference. Mr. Matson also took the time to acknowledge Keith Getschel, the Commission's departing Director of the Joint Audit Program.

#### **VII. Committee Reports**

##### **A. Audit Committee**

Keith Getschel, Joint Audit Program director, reported that a new ranking system has been implemented for audit selection.

##### **B. Litigation Committee**

Helen Hecht, General Counsel, noted that the committee supports attorney training, one of which was held earlier this week at these meetings. The

committee is also considering whether to add a meeting or training at the fall committee meetings.

C. Nexus Committee

Randy Tilley, Idaho, stated that the committee's report is self-explanatory, noting that the committee approved an update to the standard voluntary disclosure agreement that would capture information specific to remote sellers. The lookback period for a remote seller would commence as of the date that a state commenced enforcement of economic nexus for sales and use tax and the remote seller has exceeded that economic nexus threshold.

D. State Intercompany Transactions Advisory Service Committee

Marshall Stranburg, Deputy Executive Director, said that during the last quarter there was an informational and training session held, with over 40 participants and presenters attending. Topics included transfer pricing, potential issues in litigation, and lessons learned from states in audits and cases. The training was considered successful and all were very pleased with the amount of participation.

E. Strategic Planning Steering Committee

Mr. Stranburg encouraged those present to attend and participate in strategic planning meetings. He also announced the adoption of a new name for the committee: Strategic Planning Committee.

F. Uniformity Committee

Tommy Hoyt, Texas, reported some lively project-related discussion regarding net operating losses and what is "substantial." In addition, he indicated that the committee had taken up a *Wayfair* study project.

G. Other Committee Business (if any)

There was no other business.

## VIII. Uniformity

A. Draft Amendments to the Commission's Model Statute for Combined Reporting; *Finnigan* Method Option – Update and Possible Action

At its April 2018 meeting, the Uniformity Committee was asked to consider adding a “*Finnigan*” option in the Commission’s Model Statute for Combined Reporting, which currently uses the “*Joyce*” approach. The Uniformity Committee voted at its July 2018 meeting to take on the project and created a work group to draft the model option. The work group has held bi-weekly meetings and continues their work.

Phil Skinner, Idaho, reported on the work group’s progress. There has been considerable discussion regarding treatment of net operating losses and the project is not yet ready for a public hearing. The group will report back at the Annual Meeting.

B. Other Uniformity Matters (if any)

There were no other uniformity matters.

**IX. Federal Issues with State Tax Implications**

Mr. Stranburg reported on current activities in Congress.

**X. Upcoming Meetings & Events**

Mr. Matson reminded those in attendance to mark their calendars for the 52<sup>nd</sup> Annual Meeting Week that will take place on August 5 to 8, 2019, in Boise, Idaho. He also noted that the Fall Committee Meetings would be held November 4 to 7, 2019, in San Antonio, Texas.

----- CLOSED SESSION -----

**XI. Consideration of Confidential Matters during Closed Session**

----- PUBLIC SESSION RECONVENED -----

**XII. Resumption of Public Session and Reports from Closed Session (if any)**

There were no reports from the closed session, and no further business.

**XIII. Adjournment**

The meeting adjourned at 9:21 a.m. mountain time through unanimous consent.